



Department of Medical Assistance Services
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<http://www.dmas.state.va.us>

MEDICAID MEMO

TO: All Nursing Facility Providers Participating in the Virginia Medicaid Assistance Program

FROM: Cynthia B. Jones, Director
Department of Medical Assistance Services (DMAS)

MEMO: Special

DATE: 6/7/2016

SUBJECT: FY17 Nursing Facility and Specialized Care Rate Changes

The purpose of this memo is to inform you of the nursing facility rate increase for inflation for nursing facilities, the transition to a 75% price-based; 25% cost-based reimbursement mix and the implementation of prospective specialized care rates for State Fiscal Year (SFY) 2017 (effective on or after July 1, 2016).

Inflation Update

To update the rates in accordance with 12 VAC 30-90-44, inflation from the base year to the current rate year shall be applied and compared to the previous inflation update using the 4th quarter moving average values from the Virginia Nursing Home Inflation Index. During this year's inflation calculation, inflation for SFY 2015 was corrected from 2.5% to 0.9%, no inflation for SFY 2016 was included and inflation for Fiscal Year (FY) 2017 of 2.1% was added. The net result is that nursing facilities will receive a 0.51% increase to both their price-based and cost-based value parameters for SFY 2017.

Third Year of Transition for Nursing Facility Price-Based Rates

Beginning July 1, 2014 nursing facility rates began to transition from cost-based rates to fully prospective price-based rates according to a schedule outlined in 12 VAC 30-90-44 and illustrated in Table 1. In SFY 2017, operating rates for nursing facilities will use 75% of the price-based methodology and 25% of the cost-based methodology.

Table 1

SFY	Cost-Based Methodology Reimbursement Mix	Price-Based Methodology Reimbursement Mix
July 1, 2014 – June 30, 2015	75%	25%
July 1, 2015 – June 30, 2016	50%	50%
July 1, 2016 – June 30, 2017	25%	75%
July 1, 2017 – June 30, 2018	0%	100%

Official nursing facility rates for FY 2017 have been posted on the DMAS rate setting web page for nursing facilities at http://www.dmas.virginia.gov/Content_pgs/pr-nursing.aspx.

Prospective Specialized Care Rates

As authorized in Item 306.NNNN of the 2016 Acts of Assembly, Chapter 780, specialized care rates will be converted to prospective rates effective July 1, 2016 consistent with the existing cost-based methodology. Inflation will be added to the per diem costs subject to existing ceilings for operating costs and ancillary costs from the most recent settled cost report prior to the state fiscal year for which rates are being established. The FY 2017 prospective rates are based on costs reported for nursing facility fiscal year that ends in Calendar Year (CY) 2014. Costs have been inflated from the cost report period to FY 2017. Specialized care facilities that are part of a freestanding nursing facility will be paid the FY 2017 Fair Rental Value (FRV) rate. Other facilities will be paid their plant costs based on depreciation from the 2014 cost report inflated to the rate year.

Official specialized care rates for FY 2017 have been posted on the DMAS rate setting web page for nursing facilities at http://www.dmas.virginia.gov/Content_pgs/pr-nursing.aspx.

COMMONWEALTH COORDINATED CARE

Commonwealth Coordinated Care (CCC) is a managed care program that is coordinating care for thousands of Virginians who have both Medicare and Medicaid and meet certain eligibility requirements. Please visit the website at http://www.dmas.virginia.gov/Content_pgs/altc-home.aspx to learn more.

MANAGED CARE PROGRAMS

Many Medicaid individuals are enrolled in one of the Department's managed care programs (Medallion 3.0, CCC and PACE). In order to be reimbursed for services provided to a managed care enrolled individual, providers must follow their respective contract with the managed care plan/PACE provider. The managed care plan/PACE provider may utilize different prior authorization, billing, and reimbursement guidelines than those described for Medicaid fee-for-service individuals. For more information, please contact the individual's managed care plan/PACE provider directly.

Contact information for managed care plans/PACE providers can be found on the DMAS website for each program as follows:

- Medallion 3.0: http://www.dmas.virginia.gov/Content_pgs/mc-home.aspx
- Commonwealth Coordinated Care (CCC): http://www.dmas.virginia.gov/Content_pgs/mmfa-isp.aspx
- Program of All-Inclusive Care for the Elderly (PACE):
http://www.dmas.virginia.gov/Content_atchs/ltc/PACE%20Sites%20in%20VA.pdf

VIRGINIA MEDICAID WEB PORTAL

DMAS offers a web-based Internet option to access information regarding Medicaid or FAMIS member eligibility, claims status, payment status, service limits, service authorizations, and electronic copies of remittance advices. Providers must register through the Virginia Medicaid Web Portal in order to access this information. The Virginia Medicaid Web Portal can be accessed by going to: www.virginiamedicaid.dmas.virginia.gov. If you have any questions regarding the Virginia Medicaid Web Portal, please contact the Xerox State Healthcare Web Portal Support Help desk toll free, at 1-866-352-0496 from 8:00 a.m. to 5:00 p.m. Monday through Friday, except holidays. The MediCall audio response system provides similar information and can be accessed by calling 1-800-884-9730 or 1-800-772-9996. Both options are available at no cost to the provider.

KEPRO PROVIDER PORTAL

Providers may access service authorization information including status via KEPRO's Provider Portal at <http://dmas.kepro.com>.

"HELPLINE"

The "HELPLINE" is available to answer questions Monday through Friday from 8:00 a.m. to 5:00 p.m., except on holidays. The "HELPLINE" numbers are:

1-804-786-6273	Richmond area and out-of-state long distance
1-800-552-8627	All other areas (in-state, toll-free long distance)

Please remember that the "HELPLINE" is for provider use only. Please have your Medicaid Provider Identification Number available when you call.